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Brazil

Brazil produced 9.08 million metric tons (MMT) of broilers in 2005 and exported 2.84 MMT, over 30% of the country's total poultry production. Brazil and the United States combined supply approximately 70 percent of global poultry trade (37.5% and 32.1% respectively). Recent cases of avian influenza in Europe, the Middle East and Africa have led to irregular patterns of poultry consumption. The United Nations Food and Agriculture Organization (FAO) revised projection for 2006 consumption is 81.8 million metric tons, almost 3 million tons lower than the previous projection of 84.6 MMT and slightly lower than 2005. Estimates for 2005 consumption were 82.0 MMT.

Japan is Brazil's largest market for broiler exports, followed by the European Union. Saudi Arabia is the third largest broiler market. Exports to Japan and the EU are mostly broiler parts, exports to Saudi Arabia are mostly whole broilers. The EU market accounted for nearly 80% of all processed broiler exports from Brazil in 2005.

Brazilian chicken meat exports fell 8% in February 2006 when compared to a year earlier and was 7% lower than January 2006. European sales were down on fears of outbreaks of avian influenza in Europe. The drop in exports led to higher domestic inventories and lower prices. Prices fell up to 30% in some localities as product filled cold storage facilities. Lower prices led to higher per capita consumption in Brazil. January and February per cap consumption totaled 42 kg compared to 35.4 kg in 2005. Brazil's poultry industry is reducing short-term production by as much as 25%. Some companies are canceling plans for investment in plant expansion and layoffs are widespread.

Domestic supplies grew to about 300,000 tons of chicken, equivalent to three weeks consumption. Normal supplies are for 10 days of consumption. Cold storage facilities are full and producers are running out of places to store chicken. In addition to large inventories in Brazil, about 200,000 tons of Brazilian chicken is stored in import countries, equivalent to about one month of exports. A Brazilian meat exporter said EU chicken importers were not renewing Brazilian contracts because fear of bird flu has caused EU poultry consumption to drop.

Prices on chilled chicken fell from R\$ 1.73 per kilo in December, 2005 to R\$ 1.32 per kilo in February, 2006. Live chicken prices fell from R\$ 1.00 on January 13 to the current price of R\$.95 and offers at R\$.80 from one company. It costs R\$ 1.20 to produce a kilo of live chicken.

Source: FAPRI, UN Food and Agriculture Organization, news wires

U.S. Exports of Chicken Leg Quarters, selected countries

	January-December			January
	2003	2004	2005	2006
Angola	58,496	43,638	64,147	5,714
Cuba	51,219	44,383	47,437	5,776
Georgia	64,805	42,124	45,094	9,638
Lithuania	11,661	60,640	77,059	0
Romania	33,431	41,536	58,823	2,765
Russia	620,922	639,710	713,834	61,645
Turkey	72,111	87,958	87,975	3,183
Ukraine	8,284	112,198	45,775	3,629

Source: U.S. Department of Commerce, Census Bureau

EU Compensation for Poultry Producers

The European Commission tabled a proposal to allow the EU budget to share the cost of market support measures in the eggs and poultry sector. Current regulations only allow the EU to co-finance compensation measures when there is a case of avian influenza on a farm or where farmers are prevented from moving their poultry because of restrictions imposed on veterinary orders.

Consumption of poultry and eggs fell dramatically in the member states after avian influenza appeared in Europe. Prices fell sharply and export markets around the world totally or partially blocked poultry products from several countries in the EU.

The only current market support measures available are export subsidies. The Commission proposes to co-finance 50% of the cost of market support measures linked to a drop in consumption and prices of eggs and poultry. The legal change will have to be approved by the European Parliament and by EU farm ministers, probably when they meet on April 25, 2006.

France also wants the EU to subsidize private storage of poultry meat, compensate for stocks that can no longer be sold and for early poultry slaughter if export markets suddenly collapse. Poland has requested new subsidies for poultry slaughter and processing, aid for storage and more poultry products added to the list of items that qualify for EU export subsidies.

Source: European Commission Press Release, new wires

Brazil Poultry: Meat: Broiler Situation

Date	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production (1000 MT)	4,052	4,461	4,498	5,526	5,980	6,567	7,449	7,645	8,408	9,360	10,035
Total Exports (1000 MT)	560	619	584	735	870	1,226	1,577	1,903	2,416	2,739	2,900
Total Dom. Consumption (1000 MT)	3,492	3,843	3,915	4,791	5,110	5,341	5,873	5,742	5,992	6,622	7,135
Total Use (1000 MT)	4,052	4,462	4,499	5,526	5,980	6,567	7,450	7,645	8,408	9,361	10,035
TOTAL DISTRIBUTION (1000 MT)	4,052	4,462	4,499	5,526	5,980	6,567	7,450	7,645	8,408	9,361	10,035

Source: USDA/FAS PSD Poultry

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending March 25, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	156	363	2,243	3,213
Frozen	0	0	40	0
Dried	0	18	146	79
Total	156	381	2,429	3,292

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending March 25, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Liquid	22	105	660	2,288
Frozen	0	44	201	302
Dried	0	0	41	300
Total	22	149	902	2,890

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending March 25, 2006		Year-To-Date		
TYPE	2006	2005 1/	2006 2/	2005
Jumbo	0	0	150	33
Extra Large	2,910	8,780	15,390	59,200
Large	2,980	10,970	18,135	140,054
Medium	1,500	1,560	16,475	14,835
Ungraded	8,100	3,858	16,610	8,570
Misc	210	0	1,020	3,793
Total	15,700	25,168	67,780	226,485

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 31, 2006				
CHICKEN WITH SKIN ADDED				
	--- PRICES ---	---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS RANGE	-	16.00	61,200	-
WTD AVERAGE		16.00		
15-20% RANGE	20.00	11.00-16.00	792,400	80,000
WTD AVERAGE	20.00	13.17		
20% OR MORE RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

U.S./Canadian Live Poultry Slaughtered Under Inspection

W/E 25-Mar-06 (PRELIMINARY)

U.S. Fowl Slaughtered Domestically

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,082	1,562	2,644
Last Week	1,001	1,441	2,442
Same week yr ago	1,711	1,356	3,067
To-date/2006	14,597	17,219	31,816
To-date/2005	17,631	15,677	33,308

U.S. Fowl Slaughtered in Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	144	0	144
Last Week	249	0	249
Same week yr ago	110	0	110
To-date/2006	3,013	7	3,020
To-date/2005	3,460	11	3,471

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl slaughtered in the U.S. and Canada

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,226	1,562	2,788
Last Week	1,250	1,441	2,691
Same week yr ago	1,821	1,356	3,177
To-date/2006	17,610	17,226	34,836
To-date/2005	21,091	15,688	36,779

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 31, 2006				
CHICKEN WITH SKIN ADDED				
	--- PRICES ---	---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS RANGE	-	15.00-17.00	482,000	-
WTD AVERAGE		16.09		
15-20% RANGE	12.50-21.00	12.00-15.00	1,900,000	1,300,000
WTD AVERAGE	17.04	13.20		
20% OR MORE RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 31 MARCH 2006.

The market tone on tom drums ranged from barely steady to steady to fully steady with less unsettledness starting to be noted. The degree of uncertainty on tom drums was somewhat dependant on the processor's ability to meet the new testing requirements for Mexico. The market tone on tails was steady to fully steady, balance of tom bulk parts steady to barely steady. Demand light to moderate with supplies held with varied degrees of confidence. The market tone on 4-8 lb. and institutional sized rib breasts was steady to fully steady. Demand light on 4-8 lb. sizes, light to moderate on institutional sized rib breasts. Offerings light to adequate. Trading was moderate on fresh tom breast meat for domestic shipments and on frozen thigh meat for export, balance slow. For domestic: Grade A non-basted rib breasts - 10-12 lb. 160, 14-16 lb. 165, 16-18 lb. 175; fresh - wing meat with skin 74-79, scapula 115-121 mostly 116-118, fresh breast trim 116 cents delivered.

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME	WEEKLY	WEEKLY
FRIDAY, MARCH 31, 2006	RANGE	CODE 1/	PRICE	(000)	PRICE	(000)
DRUMSTICKS, TOMS	47.00		47.00	80	46.74	384
WINGS FULL-CUT - TOMS	25.50		25.50	40	24.70	200
WINGS, V-TYPE, TOM						
TAILS		F	34.00	40		
MECHANICALLY SEPARATED 2/		F	19.00	80		
THIGH MEAT - FROZEN	66.50-74.00		68.45	381	71.00	1,949

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
THURSDAY, MARCH 30, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	46.00-50.50		48.25	80
WINGS FULL-CUT - TOMS	23.50-25.00		24.00	120
WINGS, V-TYPE, TOM				
TAILS		F	34.00	40
MECHANICALLY SEPARATED 2/		F	19.00	80
THIGH MEAT - FROZEN	65.00-74.00		68.90	612

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
WEDNESDAY, MARCH 29, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS		T	45.33	120
WINGS FULL-CUT - TOMS	26.00		26.00	40
WINGS, V-TYPE, TOM				
TAILS		F	34.00	40
MECHANICALLY SEPARATED 2/		F	19.00	80
THIGH MEAT - FROZEN	74.00		74.00	280

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
TUESDAY, MARCH 28, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	45.00-46.00		45.33	120
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	34.00	40
MECHANICALLY SEPARATED 2/		F	19.00	80
THIGH MEAT - FROZEN	72.00-75.00		73.23	260

EXPORT TRADING	PRICE	L.S.T.	WTD AVG	VOLUME
MONDAY, MARCH 27, 2006	RANGE	CODE 1/	PRICE	(000)
DRUMSTICKS, TOMS	47.00		47.00	104
WINGS FULL-CUT - TOMS		M	26.00	32
WINGS, V-TYPE, TOM				
TAILS		F	34.00	40
MECHANICALLY SEPARATED 2/		F	19.00	80
THIGH MEAT - FROZEN	73.00		73.00	416

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.